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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

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CENTRAL INTELLIGENCE AGENCY

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	[redacted]		
2			
3			
4	[redacted]	file 1/13/85	
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	ACTION		DIRECT REPLY		PREPARE REPLY
	APPROVAL		DISPATCH		RECOMMENDATION
	COMMENT		FILE		RETURN
	CONCURRENCE		INFORMATION		SIGNATURE

Remarks:

Please return to me afterwards. Copy to Joe Jones — I'll take it from there.

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADD [redacted]	DATE
	1/11/85

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UNITED STATES CIVIL SERVICE COMMISSION
BUREAU OF RETIREMENT AND INSURANCE
WASHINGTON 25, D.C.

IN REPLY PLEASE REFER TO
RS:HEH:pal
YOUR REFERENCE

STAT

JAN 5 1965

Government Employees Health Assn., Inc.
Post Office Box 463
Washington 4, D. C.

STAT Dear

As you will soon be preparing the Annual Accounting Statement on the operations of your plan under the Federal Employees Health Benefits Program, we believe a review of some of the requirements for the preparation of the statement may be appropriate. The statement shall cover operations for the period from November 1, 1963 through October 31, 1964. It should be received in the Commission no later than February 1, 1965. However, we would appreciate receiving it at the earliest date possible. We hope you will follow closely the "Explanatory Notes Applicable to Interim and Annual Accounting Statements" previously furnished you. The submission of all necessary supporting schedules and work papers will also facilitate our review.

On the attachment we are advising you of the amount of subscription charges paid and accrued during the contract period November 1, 1963 through October 31, 1964. Please verify our amounts to your records before compiling your Annual Accounting Statement and if any discrepancies are noted, we would appreciate your bringing them to our attention before releasing your statement. Please remember that the accrued subscription charges as of October 31, 1964 may have been shown on the four SF 1166a's immediately following that date, i.e., November 10, November 25, December 10 and December 24th. Subscription charges for pay periods ending November 6 and 7 were included in the "10/31/64 and Prior" classification on these four vouchers.

It is important that the Health Benefits Paid reported in the Statement be in agreement with or readily reconcilable to the consolidation of your twelve Monthly Summary of Arising Claims and Claims Payments reports sent to Mr. Zisman, if your plan submits such reports.

To Mr. James
1/10/65

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The reporting of Health Benefits Accrued has been continued this year as a one-line item. However, the amounts reported on line 2(B)(2) as the incurred but unpaid benefits as of October 31, 1964 must still be supported by attached schedules showing in detail the method by which the accrual is derived. Summary data on the liquidation of accruals established at October 31, 1963 should be submitted if such data could be readily reproduced.

We again remind you that the actual incurred administrative expenses must not exceed the amount of percentage limitations of total subscription charges provided in your contract for this item. In support of these amounts we would appreciate schedules or reproduction of work papers which summarize the amount of expense incurred by account, i.e., salaries, rent, travel, etc. This schedule will be subject to audit and must be supported by books and records. Your attention is also drawn to that portion of your contract which provides that the administrative charges shall be only the "actual necessary incurred expenses determined on an equitable and reasonable basis with proper justification and accounting support." Certain items of expense such as advertising and promotion for new business, entertainment, donations and contributions are not allowable costs under this contract.

For the fifth contract period we will require only one Interim Accounting Statement. This statement shall cover the period 11-1-64 through 3-31-65 and be due in the Commission no later than June 4, 1965. However, the subscriptions charges covering this period will generally include the eleven pay periods beginning November 7 and 8, 1964 and ending April 9 and 10, 1965. Of course annuitants will be covered for five months.

We wish to express our appreciation for the cooperation accorded us by you and your staff throughout the past contract period.

Sincerely yours,

Harold E. Hunsaker

Harold E. Hunsaker
Chief, Systems & Audits Office

Attachment

P.S. Please send a copy to Mutual

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